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Report on the periodic reviews of the implementation of plans of work for exploration

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Note by the Secretary-General

I. Introduction

1. The present note provides information on the status of the periodic reviews of current contracts for exploration for polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts in the Area.

2. In accordance with regulation 28 of the regulations on prospecting and exploration for polymetallic nodules in the Area (ISBA/19/C/17, annex, and ISBA/20/A/9), regulation 30 of the regulations on prospecting and exploration for polymetallic sulphides in the Area (ISBA/16/A/12/Rev.1, annex) and regulation 30 of the regulations on prospecting and exploration for cobalt-rich ferromanganese crusts in the Area (ISBA/18/A/11, annex), the contractor and the Secretary-General of the International Seabed Authority shall jointly undertake a periodic review of the implementation of the plan of work for exploration at intervals of five years. The Secretary-General may request the contractor to submit such additional data and information as may be necessary for the purposes of the review. In the light of the review, the contractor shall indicate its programme of activities for the following five-year period, making such adjustments to its previous programme of activities as are necessary. The Secretary-General shall report on the review to the Legal and Technical Commission and the Council of the International Seabed Authority. The Secretary-General shall indicate in the report whether any observations transmitted to him by States parties to the United Nations Convention on the Law of the Sea concerning the manner in which the contractor has discharged its obligations under the regulations relating to the protection and preservation of the marine environment were taken into account in the review.

3. In addition, section 4.4 of the standard clauses for exploration contracts (see annex 4 to the regulations for polymetallic sulphides and annex IV to the regulations

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for polymetallic nodules and for cobalt-rich ferromanganese crusts) provides that, not later than 90 days prior to the expiration of each five-year period from the date on which the contract enters into force, the contractor and the Secretary-General shall jointly undertake a review of the implementation of the plan of work for exploration. In the light of the review, the contractor shall indicate its programme of activities for the following five-year period, including a revised schedule of anticipated yearly expenditure, making such adjustments to its plan of work as are necessary. The revised plan of work will then be incorporated into the contract. In accordance with section 24.3 of the standard clauses, this is done in writing through an instrument (in the form of an exchange of letters) signed by the Secretary-General and the authorized representative of the contractor.

II. Periodic reviews between January 2017 and May 2018

A. Periodic review of the implementation of the approved plan of work for exploration for polymetallic sulphides by the Ministry of Natural Resources and Environment of the Russian Federation

4. A joint periodic review meeting with the Ministry of Natural Resources and Environment of the Russian Federation on its contract for exploration for polymetallic sulphides was held with the Secretary-General on 10 August 2017. The first five-year period for the contract ended on 28 October 2017. Several weeks before the meeting, the contractor had submitted a periodic review report containing a summary of its activities in the period under review and its proposed activities for the following period.

5. Overall, the Secretary-General was satisfied with the periodic review report and the proposed programme of activities submitted by the contractor for the second five-year period. However, for the purposes of monitoring and effective annual report evaluation, he requested that the contractor break down by year the activities to be performed in the period 2017–2022. That request was motivated by the decision of the Assembly of the Authority relating to the final report on the first periodic review of the international regime of the Area pursuant to article 154 of the Convention, in which the Assembly requested that the Commission and the Council consider requiring, within the context of the development of a regulatory framework for exploration and exploitation, that new contracts, including all extensions, be prescriptive, with standard terms and conditions and detailed plans of work that set clear objectives and can be monitored and enforced (ISBA/23/A/13, sect. F, para. 1).

6. Although the contract with the Ministry is neither a new contract nor an extension, scheduling the planned implementation of activities on a year-by-year basis was considered to be a step towards presenting detailed plans of work with clear objectives that would facilitate better reporting and monitoring.

7. As a result, the new reporting format will be included as the new schedule 2 of the existing contract.

B. Periodic review of the implementation of the approved plan of work for exploration for polymetallic nodules by Global Sea Mineral Resources NV

8. Given that its contract was signed on 14 January 2013, Global Sea Mineral Resources NV should have submitted its periodic review report on 16 October 2017 (i.e., 90 days prior to the expiration of the five-year period). However, the contractor

was not in a position to begin its programme of activities until the relevant legislation of its sponsoring State, Belgium, had entered into force. As a consequence, the contractor and the Authority, upon signing the contract, agreed that activities would only commence once that legislation came into force, which occurred in October 2013. The contractor therefore only began activities approximately one year after signing the contract and, as such, is expected to submit its final report on the first period of exploration (years 1 to 5), as required under the contract, by 31 March 2019.

C. Periodic review of the implementation of the approved plan of work for exploration for polymetallic nodules by UK Seabed Resources Ltd. (first contract)

9. The contractor has duly notified the Secretary-General of its intention to submit its periodic report for review in connection with the contract that came into force on 8 February 2013. The secretariat has not yet received the report and will follow up with the contractor diligently for the purpose of conducting a joint review in 2018.

III. Periodic reviews in 2018 and 2019

10. The table below provides a breakdown of periodic reviews to be carried out in the period 2018–2019. The reviews will be conducted and reported on to the Commission and the Council in due course.

Contractor	*Type of resource*	*Reporting deadline*	*Scheduled date of joint review*
Global Sea Mineral Resources NV	Polymetallic nodules	31 March 2019[a]	To be determined
UK Seabed Resources Ltd. (first contract)	Polymetallic nodules	10 November 2017	Pending
Japan Oil, Gas and Metals National Corporation	Cobalt-rich ferromanganese crusts	29 October 2018	July 2018
China Ocean Mineral Resources Research and Development Association	Cobalt-rich ferromanganese crusts	29 January 2019	To be determined
Government of the Republic of Korea	Polymetallic sulphides	26 March 2019	To be determined
Institut français de recherche pour l'exploitation de la mer	Polymetallic sulphides	20 August 2019	To be determined

[a] See para. 8

IV. Recommendations

11. The Legal and Technical Commission is not required to approve or reject the proposed programmes of activities and has no formal role in the review process. Nevertheless, the Secretary-General wishes to invite the Commission to review the reports and other information provided by the contractors and to make such recommendations as may be deemed appropriate to assist him in carrying out his responsibilities under the regulations, including recommendations as to any additional data and information that may be necessary for the purposes of the reviews.